

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Alexandria Division**

In re:

AIROCARE, INC.,

Debtor in possession.

)
)
)
)
)
)
)

Case No. 10-14519-RGM

Chapter 11

**ORDER APPROVING SETTLEMENT AGREEMENT BETWEEN THE DEBTOR
AND CARLOS LIMA, GRUPO INTEROZONE S.A., GIO INVESTORS, INC.,
AIROCARE S.A., AND INTEROZONE S.A.**

Upon consideration of the Motion of Debtor for Order Approving Settlement Agreement Between the Debtor and Carlos Lima, Grupo Interozone S.A., GIO Investors, Inc., AirOcare S.A., and Interozone S.A. (the “Motion”) filed by AirOcare, Inc. (the “Debtor” or “AirOcare”); and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and adequate notice of the Motion having been given; and it appearing from the contents of the Motion and the record of the hearing on September 28, 2010, that good cause exists for granting the Motion; it is, by the United States Bankruptcy Court for the Eastern District of Virginia, hereby

ORDERED that the Motion is granted; and it is further

ORDERED that the Agreement and Acknowledgement (the “Agreement”) between the Debtor and Carlos Lima and Grupo Interozone S.A., GIO Investors, Inc., AirOcare S.A. and Interozone S.A., a copy of which was attached as Exhibit A to the Motion, is approved; and it is further

ORDERED that Lima and the Lima Entities reaffirm and acknowledge that Lima and the Lima Entities have assigned all right, title, and interest in and to United States Patent No. 6,503,547 to AirOcare; and it is further

ORDERED, that AirOcare is indebted to Lima (but not to any of the Lima Entities) in the principal amount of \$750,000.00 on account of Lima's and Lima Entities' assignment of the Patent to AirOcare; and it is further

ORDERED, that AirOcare releases Lima and the Lima Entities from any and all claims and causes of action that exist or might exist relating to any alleged or actual disparagement by Lima and/or the Lima Entities of AirOcare's right, title, and interest in and to the Patent; and it is further

ORDERED that the Debtor, Lima, and the Lima Entities are hereby authorized and directed to take any and all actions reasonably necessary or appropriate to implement the Agreement; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from the implementation of the Agreement and this Order.

Date: September ____, 2010

United States Bankruptcy Judge

Entered on docket: _____

We ask for this:

LEACH TRAVELL BRITT PC

/s/Stephen E. Leach

Stephen E. Leach (Va. Bar No. 20601)
8270 Greensboro Drive, Suite 1050
McLean, Virginia 22102
(703) 584-8902
Special counsel for AirOcare, Inc.

Copies to:

Stephen E. Leach
LEACH TRAVELL BRITT PC
8270 Greensboro Drive, Suite 1050
McLean, Virginia 22102
Special Counsel for AirOcare, Inc.

Gregory H. Counts, Esquire
Tyler, Bartl, Ramsdell & Counts, PLC
300 N. Washington St., Suite 202
Alexandria, VA 22314
Counsel for Lima and the Lima Entities

Lawrence A. Katz, Esquire
VENABLE LLP
8010 Towers Crescent Drive, Suite 300
Vienna, Virginia 22182
Bankruptcy Counsel for AirOcare, Inc.

Frank J. Bove, Esquire
Office of the United States Trustee
115 S. Union Street, Suite 210
Alexandria, Virginia 22314